

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M),
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014
(Figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2014 RM'000	Preceding Year Corresponding Quarter 30.9.2013 RM'000 As restated	Current Year To Date 30.9.2014 RM'000	Preceding Year Corresponding Period 30.9.2013 RM'000 As restated
Revenue	1,574	3,491	1,574	3,491
Cost of sales	(937)	(2,720)	(937)	(2,720)
Gross Profit	637	771	637	771
Operating Expenses	(468)	(601)	(468)	(601)
Operating income	35	-	35	-
Finance Cost	(1)	(15)	(1)	(15)
Profit before tax	203	155	203	155
Income tax expense	-	-	-	-
Net profit for the period	203	155	203	155
Other comprehensive income	-	-	-	-
Total comprehensive profit for the period	203	155	203	155
Loss attributable to :				
Equity holders of the Company	203	155	203	155
Non-controlling interests	-	-	-	-
	203	155	203	155
Total comprehensive loss attributable to :				
Equity holders of the Company	203	155	203	155
Non-controlling interests	-	-	-	-
	203	155	203	155
Loss per share attribute to :				
Equity holders of the Company				
- Basic (Sen)	0.46	0.35	0.46	0.35
- Diluted (Sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2014)

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FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30.9.2014 RM'000	AUDITED AS AT 30.6.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,449	14,679
	<u>14,449</u>	<u>14,679</u>
Current assets		
Property development costs	-	-
Inventories	2,746	2,519
Trade and other receivables	2,445	1,985
Tax recoverable	58	39
Deposit with financial institutions	130	130
Cash and bank balances	1,141	1,221
	<u>6,520</u>	<u>5,894</u>
	<u>20,969</u>	<u>20,573</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	44,000	44,000
Share premium	42	42
Reserves	(34,524)	(34,727)
Shareholders' equity	<u>9,518</u>	<u>9,315</u>
Non-current liabilities		
Hire purchase liabilities	167	167
Long term borrowings	-	-
	<u>167</u>	<u>167</u>
Current liabilities		
Trade and other payables	6,992	6,819
Amount owing to directors	3	-
Bank overdrafts	7	-
Hire purchase liabilities	45	45
Short term borrowings	4,227	4,227
Tax payable	10	-
	<u>11,284</u>	<u>11,091</u>
Total liabilities	<u>11,451</u>	<u>11,258</u>
TOTAL EQUITY AND LIABILITIES	<u>20,969</u>	<u>20,573</u>
Net assets per share attributable to equity holders of the Company (RM)	<u>0.22</u>	<u>0.21</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2014)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the Company →				
	Distributable				Shareholders' Equity
	Share Capital	Share Premium	Fair Value Reserve	Retained Losses	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2014	44,000	42	2,244	(36,971)	9,315
Total comprehensive profit for the period	-	-	-	203	203
At 30 September 2014	44,000	42	2,244	(36,768)	9,518
At 1 July 2013	44,000	42	2,244	(30,527)	15,759
Total comprehensive loss for the period	-	-	-	155	155
At 30 September 2013	44,000	42	2,244	(30,372)	15,914

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2014)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE PERIOD ENDED	CORRESPONDING CUMULATIVE PERIOD ENDED
	30.9.2014 RM'000	30.9.2013 RM'000
Cash flow from operating activities		
Profit for the period	203	155
Adjustments for non-cash flow items:		
Depreciation	252	477
Finance cost (net of interest income)	1	15
Others	-	1,313
Operating profit before changes in working capital	<u>456</u>	<u>1,960</u>
Net change in current assets	(687)	(475)
Net change in current liabilities	176	533
Cash flow from operations	<u>(55)</u>	<u>2,018</u>
Taxes refunded / (paid)	(9)	(1)
Net cash (used in) / from operating activities	<u>(64)</u>	<u>2,017</u>
Cash flow from investing activities		
Additions to property, plant and equipment	(22)	-
Increase in reserves	-	-
Others	-	-
Net cash used in investing activities	<u>(22)</u>	<u>0</u>
Cash flow from financing activities		
Drawdown of borrowings	-	-
Repayment of borrowings	-	(6)
Interest payment	(1)	(15)
Net cash used in financing activities	<u>(1)</u>	<u>(21)</u>
Net (decrease) / increase in cash and cash equivalents	(87)	1,996
Cash and cash equivalents at beginning of the quarter	<u>1,221</u>	<u>(192)</u>
Cash and cash equivalents at end of the quarter	<u><u>1,134</u></u>	<u><u>1,804</u></u>
Cash and cash equivalents comprises:		
Cash and bank balances	1,141	1,809
Fixed deposits with a licensed bank	130	-
Bank overdrafts	(7)	(5)
	<u>1,264</u>	<u>1,804</u>
Less : Fixed deposits pledged	(130)	-
	<u><u>1,134</u></u>	<u><u>1,804</u></u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2014)

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014
(Figure have not been audited)

(A) IN COMPLIANCE WITH FINANCIAL REPORTING STANDARD (MFRS) 134

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 June 2014 except for the adoption of new MFRS, amendments and interpretations that are mandatory for the Group for the financial year beginning on 1 July 2014. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

A2. Qualified audit report

There was no qualification in the auditors’ report on the Group’s preceding audited annual financial statements for the year ended 30 June 2014.

A3. Seasonal or cyclical factors

The Group’s operations for the current quarter and financial year to date are not significantly affected by seasonal or cyclical factors.

A4. Unusual item affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the current quarter and financial year to date.

A5. Changes in estimates

There were no changes in the estimate of amounts reported in the prior financial years which have a material effect in the current quarter or the financial year to date.

A6. Issuance or repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter and financial year to date.

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
(Incorporated in Malaysia)

A7. Dividend

There was no dividend paid in the current quarter and the financial year to date.

A8. Segment Information

Segment information is presented in respect of the Group's business segment:

	Investment holdings	Manufacturing and marketing of automotive component	Property development	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Current Year-To-Date Ended 30.9.2014					
REVENUE					
External revenue	-	1,574	-	-	1,574
Inter-segment revenue	-	587	-	(587)	-
	-	2,161	-	(587)	1,574
RESULTS					
Segment result	(55)	259	-	-	204
interest income					-
Finance costs					(1)
Profit before tax					203
Taxation					-
Net Profit					203
Current Year-To-Date Ended 30.9.2013					
REVENUE					
External revenue	-	3,491	-	-	3,491
Inter-segment revenue	-	1,293	-	(1,293)	-
	-	4,784	-	(1,293)	3,491
RESULTS					
Segment result	(45)	215	-	-	170
interest income					-
Finance costs					(15)
Profit before tax					155
Taxation					-
Net Profit					155

The Group's operations are solely based in Malaysia.

AUTOAIR HOLDINGS BERHAD (Company No. 414010-M)
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A9. Valuation of property, plant and equipment

The carrying value of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

A10. Material events subsequent to the end of the period

There were no material events as at 30 November 2014 that have not been reflected in the financial statements for the current quarter and financial year to date.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to date.

A12. Contingent liabilities

Save as disclosed below, there were no contingent liabilities or assets since the last annual Balance Sheet date.

	GROUP		COMPANY	
	As at 30.9.2014 RM'000	As at 30.9.2013 RM'000	As at 30.9.2014 RM'000	As at 30.9.2013 RM'000
In respect of corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries	-	-	-	282
Total :	-	-	-	282

A13. Capital commitments

There is no capital expenditure approved and contracted for as at the end of the current quarter.

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review performance of the Company and its principle subsidiaries

The Group's revenue for the current quarter was reduced to RM1.57 million as compared to RM3.49 million recorded in the corresponding quarter last year as sales to overseas OEM was lower due to lower demand from automotive manufacturers in view of the holiday season and realignment of the Group's customers profile and business strategy.

However, the Group had reported a higher profit before tax of RM203,000 in the current quarter as compared to profit before tax of RM155,000 incurred in the preceding year's corresponding quarter. The higher profit was mainly realignment of the Group's strategy to focus on higher margin products.

B2. Material changes in the current quarter results compared with the immediate preceding quarter

The Group's revenue of RM1.57 million recorded in the current quarter was higher than that of RM0.94 million in the immediate preceding quarter mainly due to lower sales from both the export and local market as the Group is in the process to realign its business strategy. The profit before tax reported for the current quarter of RM203,000 compared to loss before tax of RM4.89 million in the preceding quarter was due to administrative expenses incurred during the preceding quarter.

B3. Prospects

The operating environment of the automotive industry locally and globally continues to be challenging. The Group's financial performance will be dependent on its ability to identify new revenue sources and income streams moving forward.

B4. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter and financial year to date.

B5. Income tax expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2014 RM'000	Preceding Year Corresponding Quarter 30.9.2013 RM'000	Current Year To Date 30.9.2014 RM'000	Preceding Year Corresponding Period 30.9.2013 RM'000
Group	-	-	-	-
Current tax	-	-	-	-
Deferred tax	-	-	-	-

B6. Sale of unquoted Investments and/or properties

There was no disposal of unquoted investment and/or properties during the current quarter and financial year to date.

B7. Purchase / disposal of quoted securities

There was no purchase or disposal of quoted securities during the current quarter and financial year to date.

B8. Status of corporate proposals

There were no corporate proposals announced from the date of the last quarter report to the date of this announcement.

B9. Group borrowings and debt securities

Group borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
(a) Current			
Bank overdrafts	7	-	7
Bankers' acceptances	-	1,202	1,202
Term loans	-	3,025	3,065
Hire purchase liabilities	45	-	45
Sub-total of current	52	4,227	4,279
(b) Non-current			
Term loans	-	-	-
Hire purchase liabilities	167	-	167
Sub-total of non-current	167	-	167
Total borrowings	219	4,227	4,446

The above Group borrowings are all denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B11. Material litigation

As at the date of this announcement, there was no material litigation against the Group.

B12. Dividends

No dividend has been recommended for the current quarter and financial year to date.

B13. Profit per share

The basic profit per share of the Group is calculated by dividing the loss for the relevant periods by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2014	Preceding Year Corresponding Quarter 30.9.2013	Current Year To Date 30.9.2014	Preceding Year Corresponding Period 30.9.2013
Net profit for the period (RM'000)	203	155	203	155
Weighted average number of ordinary shares in issue ('000)	44,000	44,000	44,000	44,000
Basic profit per share (sen)	0.46	0.35	0.46	0.35

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B14. Realised and unrealised retained profits / accumulated losses

	As at 30.9.2014 RM'000	As at 30.9.2013 RM'000
Total accumulated losses of the Company and its subsidiaries		
- Realised losses	(68,893)	(40,301)
- Unrealised profits	203	155
Less : Consolidated adjustments	31,922	9,774
Total group accumulated losses as per consolidated financial statements	<u>(36,768)</u>	<u>(30,372)</u>

B15. Notes for Statement of Comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2014 RM'000	Preceding Year Corresponding Quarter 30.9.2013 RM'000	Current Year To Date 30.9.2014 RM'000	Preceding Year Corresponding Period 30.9.2013 RM'000
Profit for the period is arrived at after crediting / (charging) the followings :				
Interest income	-	-	-	-
Other Income including investment income	35	-	35	-
Interest Expenses	(1)	(15)	(1)	(15)
Depreciation and Amortization	(252)	(477)	(252)	(477)
Provision for and write off receivables	-	-	-	-
Provision for and write off inventories	-	-	-	-
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange gain / (loss)	-	(5)	-	(5)
Gain or loss on derivatives	-	-	-	-
Exceptional items (Corporate Advisory fees)	-	-	-	-

By Order of the Board

Company Secretary